

January 9, 2007

FINANCE COMMITTEE REPORT

A Finance Committee meeting was held Thursday, January 9, 2007 at 2:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

*Committee Members Present: Harrison, Hobbs, Stephenson, Summers, Wolf, Wozniak

Others Present: Treasurer Deanna Ratcliffe, County Attorney Robin Green, Richard McComas, Michele Anderson, Kathy Bannister, Captain Hunter Petray

Media: Scarlet Simms – Morning News; Jennifer Turner – Benton County Daily Record

JP Tim Summers called the meeting to order at 2:30 p.m.

PUBLIC COMMENTS:

None

1. Grants Administrator Report

Grants Administrator Kathy Bannister requested a Resolution authorizing the County Judge to apply for a grant from the Safe Havens Supervised Visitation and Safe Exchange Program in the amount of \$400,000, and stated that it will provide visitation services for families impacted by domestic violence, child abuse, sexual assault, and stalking. She stated that the applications due by February 13, 2007 and it is a 3-year program. The committee discussed whether a resolution is needed if there is no expenditure of county funds required. JP Wolf stated that there is a concern that the county could be obligated at sometime in the future even though there is no expenditure of funds necessary at the time the grant is received, and that the JPs just want to be cautious about that. JP Stephenson made motion to forward a request for a Resolution authorizing the grant application to the January 9, 2007 Committee of Thirteen meeting, seconded by JP Wolf. Motion passed by unanimous show of hands vote.

2. Game and Fish Fine Distribution – Treasurer Deanna Ratcliffe

Treasurer Deanna Ratcliffe stated that the county has received the annual disbursement of fine money collected by the Arkansas Game and Fish Commission for violations of regulations which occurred in Benton County. She explained the three options for distributing it to the Benton County Conservation District and the area schools who have applied for the money. She stated that her recommendation is Option 3, which will give 15% of the money to the Conservation District, and the remaining 85% will be distributed to the requesting schools based on their Average Daily Membership. She stated that other counties use this formula, and the schools are accustomed to receiving funds in this manner. She also stated that she would like to suggest that they adopt this formula as a permanent method of disbursing the funds so that they do not have to revisit the issue every year. JP Stephenson made motion to disburse the funds according to the

Option #3 formula recommended by the Treasurer, seconded by JP Wolf. JP Hobbs stated that if they based the funding on the number of participants in the programs, the schools would have an incentive to get more students involved in the programs. JP Stephenson stated that they are accomplishing the same goal, and noted that Rogers has the most participants and will receive 69% of the funds. Motion passed: (5 for, 1 against)

*JP Moore entered the meeting.

3. Sales Tax

Comptroller Richard McComas stated that December's sales tax revenue increased 9.25% over last year, and brought the 2006 total to \$28,000 above projections. He noted that this is the first month to include some receipts from the new Sam's Club and the Pinnacle Promenade, and they have included that revenue increase in the 10% increase projected for 2007, which is \$8.7 million after deducting Bella Vista. JP Wozniak stated that the county will continue to receive its normal portion until the census is completed in March or April. JP Summers noted that after the 2000 Census, the county's share of the sales tax fell from 43% to 39%, which resulted in a net loss in revenue of 10%.

JP Winscott asked how the projections will be impacted if the real estate market in Northwest Arkansas falls off. Richard McComas stated that there is no way to guess, but at the present time his estimates are showing that revenues from the Pinnacle Promenade and the new Sam's Club are offsetting the decline in the real estate market. The committee discussed how sales tax revenues and millages are divided between the county and the cities.

4. Jail Collections

Comptroller Richard McComas stated that the final collections came in at \$86,000 above projections. JP Summers explained that the money comes from housing city prisoners until they are sentenced, and from housing State and Federal prisoners. Jail Captain Hunter Petray stated that they receive \$32.50 per city prisoner, \$28 per State prisoner, and \$40 per Federal prisoner. He stated that the jail population currently stands at 440 inmates, including 70 females. The committee discussed possible solutions for overcrowding at the jail. Richard McComas stated that if they have to reduce the number of Federal prisoners to accommodate county prisoners, they will not make the projection for Jail Collections. JP Wolf noted that when the jail was built, some people expressed doubt that such a large facility would ever be filled. JP Winscott asked at what point the population will produce zero income due to the number of county prisoners. Captain Petray stated that one pod is dedicated to Federal prisoners, and they practice early release of non-violent offenders in order to relieve the overcrowding. JP Moore stated that they have been discussing the situation in the Long Range Planning/Properties and Equipment Committee, and will continue to work on it in the coming year. JP Summers noted that any expansion of the facility will also necessitate additional personnel. Captain Petray stated that there are currently 106 total employees at the County Jail, and approximately 70 of those are jailers. JP Summers asked if high turnover was still a problem. Captain Petray stated that it will always be a problem, due to the nature of the job and the type of people that the jailers have to deal with on a daily basis.

County Judge Gary Black was recognized and reported on a new program that the county is using, wherein non-violent offenders are being sentenced to county service instead of community service. He said they work the same hours as county employees, are covered under Workman's Compensation, but receive no other compensation or benefits and are responsible for their own transportation. He said that one employee worked so well that she was hired to work part-time after her sentence was completed. Assistant County Administrator Travis Harp noted that if they fail to cooperate in any way, they can be arrested and sent back to jail.

5. County Attorney Report

County Attorney Robin Green reported that they are awaiting an order from the court in which she expects the county to be required to pay attorneys' fees incurred in a recent Freedom of Information Act lawsuit against the Assessor's Office which was won by the plaintiff. She said that the case was handled by Duncan & Rainwater on behalf of the county, and they are considering a possible appeal. JP Summers asked if the liability would be absorbed mostly by the schools since the Assessor is a commissioned account. County Attorney Robin Green stated that she did not have that information, but would research it. JP Summers asked if the county would be covered by stop loss. **County Attorney Robin Green stated that since this was not a rights violation, she did not think stop loss would be in effect.** JP Stephenson stated that he felt the Quorum Court should have some input regarding matters which eventually end up in court, because from the time he became aware of the lawsuit he did not think the county had a leg to stand on.

6. Other Business

Comptroller Richard McComas stated that the Circuit Clerk had \$600,000 budgeted for a new software program in 2006, but the project will not be completed until sometime in 2007 so they will need to do a budget adjustment to show the carryover. JP Wolf made motion to approve the budget adjustment and forward it to the January 9, 2007 Committee of Thirteen meeting, seconded by JP Stephenson. Motion passed by unanimous show of hands vote.

JP Summers asked for a final report on 2006 fuel costs. Accounting Manager Michele Anderson stated that the Sheriff's Department and Jail finished 2006 at 96% for their budget, and the Road Department finished at 25% over. The committee discussed the increase in Fuel Cost projections between 2006 and 2007. Assistant County Administrator Travis Harp explained how the county purchases fuel at a lower price due to the tax-free rate and bulk purchasing.

JP Summers announced that the Committee of Thirteen would be meeting later today at 5:00 p.m., and they will meet in the Quorum Court meeting room at 4:00 p.m. to take a tour of area county facilities.

After motion and second the meeting adjourned at 3:37 p.m.